
In the
United States Court of Appeals
For the Ninth Circuit

No. 22088

INDIANA GENERAL CORPORATION,
A CORPORATION, *Plaintiff-Appellant,*
vs.

LOCKHEED AIRCRAFT CORPORATION,
A CORPORATION, *Defendant-Appellee.*

REPLY BRIEF FOR PLAINTIFF-APPELLANT.

WILLIAM J. STELLMAN,
JAMES C. WOOD,
WILLIAM E. RECKTENWALD,
HOFGREN, WEGNER, ALLEN, STELLMAN
& McCORD,
20 North Wacker Drive,
Chicago, Illinois 60606,
HARRIS, KEICH, RUSSELL & KERN,
417 South Hill Street,
Los Angeles, California 90013,
Attorneys for Plaintiff-Appellant.

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**Defendant-Appellee Has Presented No Law or Facts
Disputing Plaintiff's Basic Position.**

The brief filed by Defendant-Appellee fails to come to grips with one of the principal points in this appeal. It is the position of Plaintiff that the patent in suit is entitled to the benefit of the filing date of the first application disclosing common subject matter. This point is made at pages 17 to 25 of Plaintiff's main brief, and is fully supported by the cases cited therein. Defendant takes no issue with this point. Actually, the point is incontrovertible. Both the law and the facts are certain and clear, and Defendant would be hard pressed to attempt to meet them head-on.

It is uncontroverted that Ferramic A-34 was fully dis-

closed in the 1948 application. It is also uncontroverted, and the trial court specifically found (Finding 30, R. 789), that the composition of Ferramic A-34 was continuously presented to the Patent Office from the 1948 application to and including the application which resulted in the patent in suit. Thus, even though there may be subject matter of the patent in suit which is not common with the 1948 application, at least one item of subject matter is incontestably common and that item is Ferramic A-34. Fortifying the foregoing is the fact that the specific formula for Ferramic A-34 was Example 3 in the 1948 application (on which the Court below found that Plaintiff was not entitled to rely), and was also Example 1 of the 1951 application (on which the Court below found that Plaintiff was entitled to rely). Thus, relative to Ferramic A-34, the disclosures of the 1948 and 1951 applications are identical.

On the foregoing premises, the patent in suit is entitled to the 1948 filing date insofar as Ferramic A-34 is concerned.

As the sale and publications relative to Ferramic A-34 occurred subsequent to that date, they cannot anticipate the patent in suit.

As the sale and publications relative to Ferramic A-34 was the sole ground upon which the Court below held the patent invalid, clearly this is error and should be reversed.

Inasmuch as the law and the facts on the foregoing point are perfectly clear, uncontroverted, and incontrovertible, this reply brief could end at this point. There are, however, a number of other points in Defendant's brief which are inaccurate or without reasonable basis. Accordingly, it is perhaps advisable to comment at least on the major items.

The 1948 Application and the Patent in Suit Do Not Disclose Distinct and Different Types of Manganese-Magnesium Ferrite Materials.

One reading Defendant's brief would assume that the first filed (1948) application disclosed one group of manganese-magnesium ferrites having a number of properties, that the patent in suit disclosed a totally different group of manganese-magnesium ferrites having totally different properties, and that some time more than one year prior to the earliest date on which the patent in suit can rely there was a complete disclosure of the last-named group.

These are not the facts. The manganese-magnesium ferrites disclosed in the 1948 application possessed a number of characteristics or properties, including those quoted in Defendant's brief on pages 22 and 23, i.e., magnetic, insulating, and dielectric properties, and as set out in Finding 11 (R. 784) high resistivity. The manganese-magnesium ferrites disclosed in the patent in suit have these same properties. They are magnetic materials, they have insulating properties, they have high resistivity, and they have dielectric properties. (Findings 9 and 11, R. 784). In addition to the foregoing properties, the manganese-magnesium ferrites of the patent in suit possess a square hysteresis loop, as did some of the ferrites in the 1948 application. Furthermore, the two groups of manganese-magnesium ferrites are not separate and distinct, but clearly overlap. (See diagram facing page 24 of Defendant's brief.) Significantly, Ferramic A-34 lies in the area of overlap.* (Finding 31, R. 789.)

Defendant dwells at some length on the proposition that the range of the 1948 application is different than the

* Defendant argues on page 21 of its brief, that the invention of the patent in suit is not Ferramic A-34, but is "a coherent group" of ferrites. If Ferramic A-34 is not the invention, how then can a disclosure or sale of Ferramic A-34 anticipate the invention?

range of the patent in suit, and that therefore the patent in suit cannot rely on the 1948 application. This argument overlooks the obvious point that the sale and publication found by the Court below to invalidate the patent in suit was of a specific manganese-magnesium ferrite material not a range of such materials, and the specific manganese-magnesium ferrite material was disclosed in the 1948 application.

Actually, the position taken by the Defendant as mentioned in the foregoing paragraph is contrary to the position taken by the Court below. The Court below concluded (Conclusion 4, R. 790) that the patent in suit is entitled to rely on the filing date of the second-filed (1951) application. The range of ingredients disclosed in the second-filed application is different than the range of ingredients of the patent in suit. Thus, the Court below did not believe it to be necessary that the range be identical, and in fact, neither does the Defendant as it also concedes that the patent in suit is entitled to rely on at least the filing date of the second-filed application.

Actually, the Trial Court decided this case on the basis of nondisclosure of a **use** not on nondisclosure of a composition or a range of proportions.

The 1951 application on which the Court below found (and the Defendant concedes) Plaintiff **is** entitled to rely, specifically described the composition Ferramic A-34 and disclosed a range of proportions different from the range of the patent in suit.

The 1948 application, on which the Court below found (and the Defendant argues) Plaintiff **is not** entitled to rely, specifically described the composition Ferramic A-34 and disclosed a range of proportions different from the range of the patent in suit.

The basis on which the Trial Court refused to give the

patent the benefit of the 1948 filing date is found in Finding 34 (R. 389), which reads as follows:

“34. Since application Serial No. 67,752 did not disclose the square hysteresis loop properties of the magnesium-manganese ferrite material **therein disclosed** nor the use thereof in a computer, the patent in suit is not entitled to the filing date of such application.” (Emphasis added.)

The above-quoted Finding clearly demonstrates the Court's position. The magnesium-manganese ferrite **material** was amply disclosed in the 1948 application, but one of its properties and a specific use were not. The missing property was first described in the 1951 application. This the trial court felt was the fatal defect. Such is not the law. The simple discovery of a new use is not a patentable invention, and the failure to list all possible uses is not a fatal defect.

The Claims Are Not Invalid on Their Face.

On page 17 of Defendant's brief, Defendant quotes what it asserts to be claim 1 of the patent in suit with the reference to square hysteresis loop removed. Claim 1 of the patent in suit reads as follows:

1. A fired ferromagnetic ferrite body **having a square hysteresis loop** consisting essentially of a manganese-magnesium ferrite and consisting essentially of 8-55 mol percent of magnesia, 4-67 mol percent of manganese oxide and from 25 to about 47.5 mol percent of ferric oxide, the proportions of said components being within the (area) A—B—C—D—E—A of Fig. 4 of the drawing.

The only portion of the claim relating to square hysteresis loop has been printed in bold face, and if that is removed, **the full limitations of the claim still remain**. The range described by the claim is not shown in the prior art, and

certainly not in the Snoek article. The Defendant does not contend otherwise and the Court specifically found that the Snoek article did not disclose the range of the patent in suit. (Finding 28, R. 788.)

Defendant itself apparently has some doubt as to the soundness of the Court's findings and conclusions below to the effect that the patent in suit is invalid because of the prior publications and sale of Ferramic A-34. At pages 17-19 of its brief Defendant argues that the Snoek article is prior art and as such would invalidate the patent. In the first place, the Court below did not so find. No part of the Court's judgment was to the effect that the Snoek article invalidated the patent in suit. Furthermore, all the Snoek article showed was that magnesium and manganese could be mixed together to form a compound and the Court below specifically found that the ranges of the 1948 application and the patent in suit **are not disclosed in the Snoek article.**

The "Sale" and "Publications" on Which the Trial Court Relied Do Not Invalidate the Patent in Suit.

Disregarding for the moment the clear position of Plaintiff that it is entitled to rely on the date of the 1948 application, even if Plaintiff were not so entitled, the sale and publications do not clearly bar the patent in suit.

The sale of Ferramic A-34 was for the purposes specified in the 1948 application. (Finding 20, R. 787.) Thus, if, as the Defendant contends and the Trial Court found, the invention is for a group of manganese-magnesium ferrite materials for use in square hysteresis loop applications, the sale in 1949 would not anticipate.

The publication, ELECTRICAL MANUFACTURING, merely showed a picture of a hysteresis loop of A-34, not specifying the ingredient proportions, and certainly not disclosing any group of manganese-magnesium ferrites.

The Papian thesis similarly disclosed neither the chemical composition of Ferramic A-34, nor disclosed any group of manganese-magnesium ferrites. Defendant concedes the absence (in the publications) of any disclosure of composition or range. (D's Brief, p. 31.) Furthermore, the availability of the Papian thesis as a "publication" is clearly in doubt, the affidavit in the record (R. 308) being by the **present** librarian, and indicating that under **present** procedures a paper so filed would probably be available in about two weeks. If the present procedure had been followed when the Papian thesis was filed, it would have been available as a "publication" in the period from October 16 to October 19, 1950. The second application of Dr. Albers-Schoenberg was filed on October 30, 1951. Thus, if the availability of the Papian thesis was delayed but a few days, it would not be a proper reference. No proof whatsoever was presented except the affidavit of the present librarian, and that affidavit does not even indicate that the present librarian was even there in 1950.

Defendant's remark on page 6 of its brief that Plaintiff is "stuck" with the inferences to be drawn from the librarian's affidavit is clearly wrong. Patents are not stricken down by inference, and the proof of prior publication must be such as to overcome the statutory presumption of validity.

The Defendant Concedes That a New Use Is Not Patentable.

The basis for the decision of the Court below is clearly set forth in its finding that the invention of the patent in suit is the discovery of the **new use** of the manganese-magnesium material. This basis is found in Finding 34, (R. 789) which reads as follows:

“34. Since application Serial No. 67,752 did not disclose the square hysteresis loop properties of the magnesium-manganese ferrite material therein disclosed nor the use thereof in a computer, the patent in suit is not entitled to the filing date of such application.”

This is a misconception of the patent laws, a misconception clearly pointed out in Plaintiff's main brief. On page 17 of Defendant's brief, **Defendant specifically concedes** that a **new use** of an old thing **cannot be patented** unless it is claimed as a process (which is not the case here). Thus, in effect, the Defendant concedes that the basic premise of the decision of the Court below was wrong.

THERE IS NO BASIS FOR THE FINDING THAT CLAIMS 2 AND 4 DIFFER FROM CLAIMS 1 AND 3 ONLY IN DEGREE.

The court below struck down claims 2 and 4, not on the basis of any prior sale or publication, but on the basis that they differ only in degree from claims 1 and 3 and hence fall with claims 1 and 3.

There is no evidence whatsoever to support such a finding.

The testimony of Mr. Snyder is quoted in the footnote on page 33 of Defendant's brief. This apparently is the testimony on which the court based its decision, and from a reading thereof it is obvious that the witness was referring **not** to the chemical compositions of the materials of claims

2 and 4, but rather to the degree of squareness of the loop produced thereby. Obviously, a similarity of result does not mean similarity of product. The hysteresis loops of the manganese-magnesium ferrite materials involved in the patent in suit could be identical with the hysteresis loops produced by the old fashioned laminated metal magnets, but there is a world of difference between the ferrites of the patent in suit and the old fashioned magnets. It should be noted that the case cited by the Defendant at this portion of its brief (p. 33,) *Cataphote Corp. v. DeSoto Chemical Coatings, Inc.*, 356 F. 2d 24, is one where the decision was reached after a full, complete trial.

Defendant's argument (Brief p. 36) that there is nothing in the record to show that the range of claims 2 and 4 is "critically different" than those of claims 1 and 3 carries no weight whatsoever. The Patent Office found the claims were sufficiently different as to warrant their issue, and the patent being presumptively valid the burden is on the Defendant to show that they are **not** critically different, rather than on the Plaintiff to show that they are.

In this regard it is interesting to note that while the Defendant asserts that the range of claims 2 and 4 is not critical, the fact is that the accused material manufactured by Defendant falls precisely in the range of claims 2 and 4, (R. 60; Point Q on Chart attached to Finding 15, R. 785.) As a matter of fact, the Defendant mixes some zinc oxide in with the manganese-magnesium ferrite material, and only claim 4 of the claims in suit calls for the addition of zinc oxide.

CONCLUSION.

The only "prior art" involved in the proceedings thus far is the material Ferramic A-34, the sale of which and the publications concerning which were held by the court below to invalidate the patent in suit. As this specific material was disclosed in a 1948 application which is the parent of the patent in suit, it is subject matter common to both and under the law the patent in suit is entitled to rely on the 1948 filing date at least insofar as Ferramic A-34 is concerned. As the sale and publications all occurred after 1948, the patent in suit is not anticipated. The position of the court below that a new use is patentable, and that the use in a computer of Ferramic A-34 was not disclosed in the 1948 application thereby preventing that application from being a proper parent of the patent in suit, is in error. The judgment below should be reversed.

Respectfully submitted,

WILLIAM J. STELLMAN,

JAMES C. WOOD,

WILLIAM E. RECKTENWALD,

HOFGREN, WEGNER, ALLEN, STELLMAN
& McCORD,

20 North Wacker Drive,
Chicago, Illinois 60606,

HARRIS, KEICH, RUSSELL & KERN,

417 South Hill Street,

Los Angeles, California 90013,

Attorneys for Plaintiff-Appellant.

CERTIFICATE.

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

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WILLIAM J. STELLMAN,

